

00:00:10 Speaker 1

My name is Andrew Baron, and this is Well... It Depends! The podcast where I address different financial decisions that can't be answered with a simple yes or no.

00:00:21 Speaker 1

In this episode I asked the question should I pay with cash or card? But before we begin a short disclaimer. This is being recorded on June 27th, 2023.

00:00:34 Speaker 1

The contents of this podcast are strictly for informational purposes only, and nothing said should be taken as investment, tax or legal advice. It is important to consult with the professional before making any financial decisions, as the strategies discussed may not be suitable for you specifically.

00:00:54 Speaker 1

Should I pay with cash or card? Well... It Depends!

00:01:00 Speaker 1

First, consider budgeting. If you're the type of person who finds it challenging to keep tabs in your spending cash may be the way to go.

00:01:09 Speaker 1

Cash is tangible and once it's gone, it's gone. Using cash can be a great way to keep your spending in check because it gives you a physical sense of how much is leftover after every purchase.

00:01:23 Speaker 1

On the other hand, credit cards come with a number of benefits. They can offer rewards, cash back and points that can be used for various products and services.

00:01:35 Speaker 1

Credit cards also carry with them an additional level of protection against fraud unavailable for cash. Moreover, credit cards help establish a credit history, which is crucial if you are looking to obtain a loan or a mortgage in the future.

00:01:51 Speaker 1

The nature of your transaction is another factor to consider. For large purchases or online shopping, credit cards may be the better choice. They offer added protection, ease of use and may be required for online purchases.

00:02:07 Speaker 1

On the other hand, cash may be better suited for small day-to-day transactions or at retailers without credit card infrastructure. Some retailers may offer discounts to customers paying in cash. This is because every time a customer pays with a credit card, the retailer pays a fee to the processing company and by offering cash discounts, they are passing these savings on to you, the customer.

00:02:32 Speaker 1

You should also consider credit card fees. These can range from annual fees for the privilege of using the card to transaction fees for using your card.

00:02:43 Speaker 1

There are additionally late fees and interest charges if you fail to pay your bill off in full at the end of every month.

00:02:52 Speaker 1

To recap - in the cash versus card debate, it isn't about one being universally better than another, and instead about what best fits you.

00:03:01 Speaker 1

If you are a budget conscious spender who values a physical transaction, cash may be the way to go. If you're into rewards building credit or make a lot of online purchases, it may be beneficial to run these through a credit card.

00:03:18 Speaker 1

Remember, this isn't an all or nothing, and you can make this part of a balanced financial approach. You can use cash to limit discretionary spending, and you can use credit cards for reoccurring bills, large purchases, or when you stand to benefit from rewards.

00:03:37 Speaker 1

So, to answer the question, should I pay with cash or card? Well ... It Depends!